DOCUMENT RESUME

ED 394 451 HE 029 146

AUTHOR	Callan, Patrick M.
TITLE	Public Purposes and Public Responsibilities.
INSTITUTION	California Higher Education Policy Center, San Jose.
PUB DATE	Nov 96
NOTE	9p.; Paper presented at the Conference of the California Association of Institutional Research (CAIR) (San Diego, CA, November 3-4, 1994).
AVAILABLE FROM	California Higher Education Policy Center, 160 West Santa Clara Street, Suite 704, San Jose, CA 95113 (free).
PUB TYPE	Reports - Evaluative/Feasibility (142) -- Viewpoints (Opinion/Position Papers, Essays, etc.) (120) -- Speeches/Conference Papers (150)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	Case Studies; Community Colleges; Economic Change; *Educational Finance; *Educational Policy; Educational Trends; Enrollment Projections; *Higher Education; *Long Range Planning; *Master Plans; Politics of Education; *Public Policy; Statewide Planning; Trend Analysis
IDENTIFIERS	*California

ABSTRACT

An examination of public policy issues and accountability in education focuses on the current situation in California's system of higher education. It looks first at how the consensus about public financing embodied in the state's 1960 master plan for higher education has come apart since about 1990, and reports on two studies, one on recent developments in the community colleges and the other on the funding of higher education over 35 years, that show that the basic principle of public funding is no longer operational in the state. The paper notes that the public appears unconcerned about this situation. Enrollment projections for the next decade suggest that the state and its higher education institutions must choose between maintaining the system at current cost and serving a much smaller proportion of the population, or reducing overall cost per student; there is no scenario under which the status quo model can continue at current cost levels. It is concluded that the re-invention of higher education in California is likely to be a traumatic process, with a substantial need for public policy leadership at the state level, but that the opportunity for major social good to be accomplished is also substantial. (MSE)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

THE CALIFORNIA
HIGHER EDUCATION
POLICY CENTER

Public Purposes and Public Responsibilities

By Patrick M. Callan

ED 394 451

HE029146

BEST COPY AVAILABLE

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND
DISSEMINATE THIS MATERIAL
HAS BEEN GRANTED BY

California Higher
Education Policy Center

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)

Public Purposes and Public Responsibilities

By Patrick M. Callan

I am not going to speak today about accountability *per se*, nor about how I think it might be achieved. I will focus, rather, on the context of issues involving accountability, and on the major questions that we in California have to work through as we think about these issues. To some extent my views reflect a belief that the regulatory overload that has pushed this issue onto our agenda has, as its most serious consequence, also pushed more important issues off that agenda—in favor of such details as what kind of reporting is appropriate, how often it should be done, and to whom it should be sent. So let me speculate a bit about the context of accountability issues in the mid to late 1990s.

First, there is little doubt that the American system of higher education since World War II is one of the great successes of our society. Certainly, that is true in California. We have been often cited as the world model for "how to do" mass higher education—how to serve large numbers of people with high-quality higher education.

I submit as the first contextual point that California's success is both a strength and a weakness. By and large, it is much more difficult for those successful institutions that have been acknowledged as such to look beyond their boundaries and identify emerging problems. It is hard for them to see those things in the environment that may suggest that future success will not keep flowing from the same factors that brought success in the past. It is hard for them to recognize that different kinds of behavior may be necessary. Certainly, we have seen this in the corporate sector. The most successful corporations in the world—the automobile industry and companies like IBM and General Motors, for example—were initially unable to recognize those signs in the environment which called for fundamental change. They believed that doing better what they had always done would still allow them to compete. They suffered great dislocation as a result. Higher education, therefore, must put accountability issues in the context of recognizing, "Yes, we are successful, but as individuals and as institutions, that very success can get in the way of change." There is a kind of hubris that comes from success. When individuals or institutions fail, they know they must go back to the drawing board—they know they have to try something new. It might seem unfair when colleges and universities have worked so hard and have been, by any real world standard, so successful in meeting many of society's expectations that they too should be asked to go back to their drawing boards. It makes us very uncomfortable to have to think in different ways about the future.

Secondly, a few things that I will say this morning are critical of current directions and practices. They may seem harsh to some of you. But I certainly do not believe higher education's problems are attributable to malevolent people, people who have set out to do bad things to students, colleges and universities. I do believe, however, that there are good and bad ideas about California higher education, and that the only way we can sort the good ideas from the bad ones is to encourage more open discussion and more hard-edged debate than in the past. If it is worth debating the future directions of health care, the environment and public schools, it is

worth having equally serious—though civil, I would hope—arguments about the future of higher education.

Finally, I am going to try to complicate your lives this morning. I will share my questions with you, but not offer you answers. I honestly do not have answers, for much of the struggle in California is still about defining the questions. What are the issues we should be worrying about? Robert Reich, before he went to the federal government, wrote a provocative introduction to a book called *The Power of Public Ideas*. He pointed out that people reveal their critical values when they ask, "What is the question?" By framing a central question or questions, we establish priorities. For instance, whether the welfare problem is defined in terms of making people self-reliant or in terms of getting rid of the welfare queens, the definition of the problem assumes critical values and will influence the answers. In relation to higher education in California, we are still trying to frame the question, and there is little consensus among those making the attempt.

The issue of accountability is tough to grapple with once you get beyond criticism of specific regulatory initiatives. It is tough because there is no longer much clarity about the public purposes and responsibilities of higher education. An almost fifty-year consensus in American society—implicit or explicit—on higher education's basic goals, values and purposes has eroded, and these now need to be discussed, argued about and re-articulated. California needs a sense of purpose. Why is the state in the business of higher education, for example, and how should we make choices about who is to be served? These fundamental issues of purpose plague us, and the discussion must reach down—or up—to that level. This not a conversation that can happen just among education professionals. This is the public's business as well as our own; we must widen the discussion.

Another way of putting this is that many of us have been fortunate to have lived and worked in a period of great consensus about higher education and its goals. When there is such a high degree of consensus in society, policy makers and leaders have great latitude to make mid-course adjustments to turn the ship five or six degrees this way or that. But once consensus breaks down (an erosion rather than explosion in the case of higher education), then a new consensus is required, one that has to include the public that must pay for higher education and that expects to be served by it.

In California, the 1960 Master Plan for Higher Education embodied that consensus. The concept of higher education as a vehicle to opportunity and to world class research capacity has helped to hold together the consensus around the Master Plan. But at this time it is fair to say that this cluster of ideas has broken apart as an operational framework for how we do the business of higher education in California.

Two studies by the California Higher Education Policy Center are relevant here. One report by Jack McCurdy examines what has happened to community colleges in California over the last three years. The second is an essay by William Pickens, who has constructed a thirty-five year data base on the funding of higher education in California. Both, written independently without the authors even speaking to each other, as far as I know, came to the same conclusion: since about 1990, the Master Plan for Higher Education ceased to be the operational framework for decisions in higher education. Nobody voted it down or threw it out. Rather, it was quietly ignored. Governmental and institutional decisions had very little to do with it—particularly the decision, during a time of great economic hardship for the people of California, to reduce higher education opportunity. If there was one single foremost driver of the Master Plan, without which nothing else would have happened, it was the vision of opportunity. But enrollments were reduced by some 200,000 students at a time when, in fact, one would have expected them to go up. Part of this was attributable to the mischief of the State Legislature, especially with respect to community college fees, and part of it was done deliberately by educational policy makers, particularly in the California State

University.

Another part of the Master Plan that seems to have become less functional involves private higher education. It has always been very important to California that private independent colleges and universities be allowed, for the public interest as well as for their own, to play a major role in meeting enrollment demand. When I came to the California Postsecondary Education Commission in the late 1970s, the average Cal Grant would cover approximately 70 percent of the average tuition of a private college. These grants then provided choice for some students, and they also reduced the need for the state to build additional capacity. The Cal Grant program has pretty much deteriorated, now covering from 30 to 40 percent of tuition at private colleges and universities. At the very time when the state faces enormous growth, it has crippled our ability to use the capacity of private institutions.

Finally, one reason why California's system worked better than those in most states was—for all the state's reputation around the country of flakiness—it was a highly disciplined system. We did not allow colleges and universities—and some still bridle over it—to offer advanced graduate programs just because their faculties wanted them. We did not put campuses in communities just because their politicians were powerful. But it seems ironic to me that this discipline has now broken down completely at a time when resources are tight and every decision has enormous opportunity costs. For instance, by investing in a new California State University campus in a location that does not have the population to support it, the state has provided a sad example of lack of disciplined commitment to access. Clark Kerr, in his memoir of the development of the Master Plan, said the last straw—one that convinced the Legislature that they would bankrupt the state without a Master Plan—was the decision to build Stanislaus State in Turlock. This is not to say that Turlock has not turned into a good college, but there was no rationale for that decision—except for a political one. In the 1950s and 1960s, abundant resources hid this and similar mistakes—no one in Los Angeles was turned away from college because funds were shifted to a political campus in Turlock. But the state cannot afford such mistakes in the future.

Is the Master Plan dead? If so, the public is not disturbed—at least, not yet. The Master Plan has not been repealed by the Legislature. But one must ask: "Where do the major concepts of the Master Plan connect with reality in the actual decision-making process?" The answer is that the connection has withered. This erosion does not mean that parts of the Master Plan are not still working; it does not mean that none of it can or should be saved. But the policy framework within which higher education operates has deteriorated fundamentally. We are back to very basic questions: Why is California in the business of higher education? How much opportunity should be offered? To whom? What functions of higher education will be subsidized at what levels? At which institutions and for which individuals? Is California's organizational system of large, multicampus systems the appropriate model for the 1990s and beyond?

These questions are much more fundamental than, for instance, the debates about State Postsecondary Review Entities (SPREs) and accreditation—important as those debates may be. These questions require clarification of the fundamental purposes of higher education and, once those purposes are clarified, of the nature of the policy infrastructure required to meet those purposes. This is not a discussion that can be settled in a small room by a handful of educational leaders, administrators, politicians, or board members. If a new consensus can be built and can endure, its building will entail a larger and a more public conversation.

To continue with some of the specifics of the context of accountability, let me summarize a few of the critical questions. The first huge question—and some of you may have seen the front page article in a recent issue of the *Los Angeles Times*—is what Clark Kerr has called "Tidal Wave II." We are expecting an enormous increase—over 40 percent—in the number of high school graduates during the next fifteen years. Since the state has no plans

whatsoever to deal with these numbers, it is basically letting each system cope and plan on its own. Some institutional plans make sense and some do not, but without a statewide plan, whether or not California will succeed in maintaining college opportunity is highly questionable.

My own view, as based on projections developed with the help of the National Center for Higher Education Management Systems, was published in a brief descriptive report that Joni Finney and I wrote called *By Design or Default*. We projected an increase of about 450,000 full-time equivalent students between the early 1990s and 2005 or 2006. We then projected the distribution of those students among the public and private, two-year and four-year institutions in the same proportions as they are distributed now. Ours was a very conservative analysis, and, as far as I know, the most conservative set of projections that anyone has made so far. We came to the conclusion that to just move the *status quo* model, even without capital outlay, half way through the first decade of the next century, would require either a 52 percent increase in state appropriations or an increase to about 20 percent in overall state general fund appropriations. Neither possibility is one any realist would seriously entertain.

Our conclusion brings us to a very stark reality, and one that everyone is very reluctant to face. The State of California and its institutions of higher education must choose between: (1) maintaining the current system at its current cost and serving a much smaller portion of the population; or (2) reducing the overall cost per student—not in every program or in every institution, but in the statewide aggregate. There is no scenario under which the *status quo* model can move into the future at its current cost. In other words, the cost of the way we are doing business now is not sustainable if we want to maintain our goals regarding access—and I have not seen any analysis to the contrary. Does that mean the state will not have to invest further in higher education? Of course not. There will have to be additional public investment. There is no free lunch for the state here. Almost half a million new students will cost money. But we are saying that there is no scenario under which the rate of investment for each student will be the same as it was in the 1970s or 1980s. So at a time when no one is going to accept a diminution in quality and expectations—in fact, expectations are going to go up—either costs will have to come down or California's goals for access will have to be sacrificed. The fact that the present cost structure and goals for access are not sustainable is difficult to accept for an enterprise like higher education, which often equates quality with high cost—as, in fact, does much of the public. If you ask people to write down the five best colleges and universities they know about, many would list the five most expensive ones. Another way of looking at our dilemma is that we are in the same boat as everyone else in American society, a society that no longer has the resources that it once had. Resources were available when the colleges and universities faced the baby boom influx. The need to expand then came during the period of the greatest increase in growth of local and state government revenues in the history of the country, a period that started in the early 1950s and continued through the late 1970s.

When the system started to hemorrhage students in the early 1990s, we at the Center were curious about how the public perceived the change. In a report for the Center called *The Closing Gateway*, the Public Agenda organization, based in New York, asked if the public still thought access to higher education was important—or whether the educational and political leaders responsible for declining opportunity knew something that we did not. National and state polling found that people believed, in a way that had not been apparent in earlier polls, that higher education was more important than in the past. People were putting it higher on the scale than they had a few years ago, when it did not even show up in most polls. In relation to higher education, the hot button issues for the public are access and affordability. They do not give higher education great gold stars for quality, and, in fact, they distinguish quite clearly, in many cases, between the value of the educational experience and the value of the credential. By and large, however, people are most worried about education being priced out of sight,

about downsizing, and about opportunity for their children. Public Agenda conducts polls on public policy issues of all kinds throughout the country. They said that the polls on higher education looked much more like the prior year's poll on health care, minus a few degrees of intensity, than they did like polls on K–12 education. Ask people about K–12, and their first responses are about quality and safety. Ask them about higher education, and their first concerns are about whether their children will have an opportunity for it and whether they will be able to afford it. Higher education is still seen as valuable—no one is so unhappy with higher education that they have decided not to enroll their children. The policy elites in this country—the people on blue ribbon task forces and at Wingspread meetings—want to talk about quality, and the public wants to talk about access and affordability. Any serious conversation about the future must find a way to talk about both. Talking about either one by itself could damage higher education considerably.

The public is also well aware that most of the jobs that allow people to get into the middle class without at least some education or training after high school have disappeared. Recent data from the Department of Commerce confirms that this disappearance has been a fact in the American economy over the last fifteen years. There was a reason for calling the Center report on the polls, "The Closing Gateway." Higher education monopolizes access to economic opportunity in this country to a much greater extent than in the past. This does not mean that everybody can or should to go college. People with degrees understand that all the degree does is put you in the queue. It allows you to compete in the workforce. But people without some education or training beyond high school are pretty much out of luck. As Clark Kerr pointed out a year or so ago, the earnings premium of bachelor degree graduates over high school graduates went up from 40 to 80 percent in the 1980s. Much of that was deterioration at the bottom, for college graduates only improved their position slightly.

The cluster of problems we face here in California derives from this set of mismatches: demand is going one way, resources are going another, and public expectations still remain very, very high.

I must say a word about quality, for when we consider quality, we need to search our souls—just as every profession does. Some of you may remember George Bernard Shaw's statement that "All professions are a conspiracy against the laity." Derek Bok related that to higher education in his book *Universities and the Future of America*. He said, "The fact remains that left entirely to their own devices, academic communities are no less prone than other professional organizations to slip unconsciously into complacent habits, inward looking standards of quality, self-serving standards of behavior. To counter these tendencies, there will always be a need to engage the outside world in a lively, continuing debate about the universities' social responsibilities." Many of its critics accuse higher education of being inwardly focused. As in all professions, higher education professionals have definitions of quality, some—but not all—of which relate directly to the services provided. But definitions embody conventional wisdom about how things should be done and reflect personal and professional convenience—how it is most comfortable to do things. Left to their own devices, higher education professionals are no less prone than doctors or lawyers to equate quality with serving a smaller number of people at a high cost per individual. Doctors should not unilaterally apply their values to decide how many people get health care in this country. Nor should higher education professionals unilaterally decide how many people should have the opportunity for a college education. I worry about this because "quality" has become a buzz word for exclusion in California. When a large number of students have been cut out, the rationale—more often than not—has been quality. But nobody, not the Legislature, not the governing boards, no one has asked those who are making these decisions to demonstrate that quality would suffer. Higher education must develop a definition or concept of quality that is defensible as public policy, one that goes beyond the simplistic cost model.

Higher education has, I believe, given a message

to the public that has hurt it politically in California at a time when the recession not only has battered people at the bottom but also has struck at the heart of the professional managerial class—the people who have always sent their children to college. The message was: "Support us in the manner to which we have become accustomed or we won't educate your children. Nor will we educate you if you need to come back to college." Again, I believe that higher education needs to examine its cost structure, to tear down conventional wisdom that productivity and quality is a zero sum game—one of our most cherished and most self-serving beliefs.

The last issue I want to raise about the context of accountability concerns community in higher education. I am aware of two efforts in the past year. One has to do with accreditation of four-year colleges and universities—the WASC committee report on self-regulation in higher education. The other was an appeal by Clark Kerr at the joint meeting of UC Regents and CSU Trustees. In both instances, the central issue was whether there was some set of values—some piece of the accountability pie, if you will—that we as professionals have a special responsibility for addressing. Are there values which we are willing to ask society to entrust to us? Can we act collaboratively across institutions, from research universities to two-year colleges, and identify our responsibilities to address the long-term problems of both opportunity and quality in California? The question is whether there is a community out there that can work together with civility and with give and take, or is there just a fragmented collection of institutions. How *do* we address the common good—the common good of society—and the parts of it that are the responsibility of higher education? We talk more and more about social contracts, but everyone's favorite part of the social contract is the part that confers obligations on others and benefits on themselves. The question now is what is higher education willing to put into the kitty.

The state must also come to the table, for public policy leadership is sorely needed. It is not fair to expect colleges and universities on their own to define the public interest. Government, along with lay governing boards, are the main vehicles used to balance professional interests with broader societal ones. In California, the silence and passivity of the Legislature and the Governor over the past three or four years has been unfortunate. And higher education has hardly distinguished itself. Despite the hard work and many valiant efforts that individual colleges and universities have made as a collection of institutions, the results are not impressive. The other part of this is that no one has yet asked higher education in California to probe the fundamental questions. So the future is not just a problem for the colleges and universities; it is a problem for the people of the state and their political leadership as well. What I call "the policy vacuum" is the absence of any articulation of higher education's broad public responsibilities. In this vacuum, each institution and each sector looks only to itself, an unhealthy situation for everyone.

There seem to be two quite opposing viewpoints about higher education in the 1990s. On one side, there are those who, with great historical accuracy, point out that higher education has been through all this before. It has had ups and downs. It has had recessions. It has seen governors and legislatures—even congresses—that liked colleges and those that did not. Higher education has had student unrest. But one characteristic has held true: every time higher education has gone down, it has come up looking about the same as it did before, maybe a little leaner or meaner but pretty much doing business as it had in the past. And this has, in fact, been true throughout the post-World War II era. The opposing point of view—and mine—is that economic, organizational, demographic, and technological revolutions are reshaping every major social institution. These changes will not leave you, me, our colleagues, and our successors driving to work to do the same things the same way as we are doing them now.

Where one falls along this spectrum depends on whether one sees current problems as yet another cyclical downturn. If so, then an appropriate strategy might be to circle the wagons, cut at the margins, batten down the hatches, and hold on for dear life. But if not, then now is the critical time for

reevaluating, redesigning and reinventing.

In California, any reinventing of higher education will be in the context of what appears to be a near civic breakdown, an enormous amount of fear and anxiety, and mean, little efforts to fix blame. Individuals or institutions must figure out the steps that higher education can take to bring society back together, for higher education ought to be part of the rebuilding of civic life in California. I suggest this not because we are better than anyone else but because, uniquely respected, we as education professionals have this special responsibility of keeping opportunity and hope alive for the people of California. We cannot meet this responsibility if we behave in totally self-interested ways. We have much to contribute, and we now have the chance to lead. California is the state that, by and large, when it has had resources, it has treated higher education quite well. We now have the chance to give something back.

It has been discouraging for me to watch the deterioration of the policy environment in California over the last three years. But the most encouraging thing is to find out how much energy, commitment, idealism and focus there is when one gets out to where people are struggling hard to meet the needs of students and faculty. Higher education is not a bankrupt enterprise, contrary to the assumptions of those in places where commitment and idealism are only abstractions. Higher education has been hurt, and we are a bit stunned by the difficulties of the last few years. But we have intellectual capacity; we have creativity, energy and the commitment to California higher education. We have these because of the quality of the people attracted into public and private colleges and universities over the past three decades. But as yet the "whole" has been less than the "sum of the parts." Our internecine battles and our tendencies toward denial seem to have been stronger than our ability to coalesce around the critical issues and around leaders who will move us toward solutions of these problems.

Ultimately, the issue of accountability is much larger than the "pinched" view of public responsibility that pervades regulatory processes and debates about them. The stakes are very high. The public purposes of higher education need to be re-articulated, and the means for achieving them must be found in an environment where much more will be expected of us. No one is arguing that the world will be a better place or that California will be better if the level of education in the population is lowered, or if fewer people are educated. As difficult as the past few years have been and as much as I respect the struggles that many of you in your institutions have made, there are still enormous difficulties and challenges in the future. But there are also almost unparalleled opportunities for serving the state and its people.

Patrick Callan is the executive director of the California Higher Education Policy Center. This text was prepared from the transcript of his address, delivered at the Conference of the California Association of Institutional Research (CAIR), on November 3-4, 1994, in San Diego, California.

Please send comments on this paper or requests for additional copies to The California Higher Education Policy Center, 160 West Santa Clara Street, Suite 704, San Jose, California 95113 (FAX: 408-287-6709; email: chepc@policycenter.org).